



**FRANCHISING®**  
Building local businesses,  
one opportunity at a time.

December 19, 2017

The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin Brady  
Chairman  
Committee on House and Ways  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Orrin Hatch  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

Dear Speaker Ryan, Leader McConnell, Chairman Brady, and Chairman Hatch,

Thank you for your leadership in advancing historic tax reform legislation. The International Franchise Association (IFA) represents America's 733,000 franchise businesses and 7.6 million employees, and we offer our congratulations on finalizing the joint conference report on H.R. 1, the *Tax Cuts and Jobs Act*. Franchise owners and prospective investors consistently cite high taxes and the costly and burdensome tax code as a barrier to growing and starting a franchise business. The agreement reached by the House and Senate will improve the business environment for most franchisors, franchisees and prospective investors, while putting more money in customers' pocketbooks, helping stimulate economic growth.

The franchise sector, both brand companies and local franchise owners, consists of both C corporations and pass-through businesses. The 21 percent corporate rate, elimination of the corporate-level AMT, and other provisions will help support franchise business growth, reinvestment, and job creation for more than half of IFA's 1,400 franchise brands. More capital will help these businesses pay their employees higher wages, provide stronger marketing support for their existing and prospective franchisees, and reach new markets for their customers. Franchisees, 80 percent of which are pass-through businesses, will benefit from the new 20 percent deduction, the lower top individual rate, and importantly, the ability to deduct state and local taxes and an increased Section 179 deduction. Lastly, lower individual rates, we believe, will spur economic growth and help increase take-home pay for customers in restaurants, hospitality, retail and service-related franchises, while also generating more capital to invest for Americans interested in becoming franchise owners.

Franchising is an important model reflective of America's entrepreneurial spirit, and we are glad to lend our support to H.R. 1, the *Tax Cuts and Jobs Act of 2017*. In the new year, we hope to work with you and your staff, as well as the Administration, to ensure the implementation of the law allows for all franchise businesses to take full advantage of these new reforms.

Sincerely,

A handwritten signature in dark ink that reads "Robert C. Cresanti". The signature is written in a cursive, flowing style.

Robert Cresanti  
President and CEO  
International Franchise Association

cc: Members of the U.S. Senate  
Members of the U.S. House of Representatives